

Arizona Department of Water Resources
GROUNDWATER USERS ADVISORY COUNCIL
Tucson Active Management Area
Cindy Shimokusu, Area Director



DEE T. O'NEILL
Chair

CHUCK SWEET
Vice-Chair

JOHN MAWHINNEY

DAVID MODEER

JON POST

Minutes
April 16, 2004

Members Present:

Chuck Sweet, Vice-Chair
John Mawhinney
Jon Post

Staff Present:

Cindy Shimokusu, Area Director
Kenneth Seasholes, Assistant Area Director
Mary Bauer
Laura Grignano
Diane Kusel
Jeff Tannler

Others:

Brian Andersen, URS Corporation
Michael Block, Metro Water District
Janet Lea Carr, SAWUA
Mark Cross, Errol L. Montgomery & Assoc.
Toops Culbertson, Farmers Investment Co.
Alan Forrest, Oro Valley Water Utility
Arturo Gabaldon, Community Water Co.
Jim Holway, AZ Dept. of Water Resources
Eric Holler, U.S. Bureau of Reclamation
Herb Kai, Kai Farms
Dennis Kimberlin, AZ Dept. of Water Resources
Karen LaMartina, Tucson Water
Ries Lindley, Tucson Water
Val Little, Water CASA
Ralph Marra, Tucson Water
Scott Miller, AZ Dept. of Water Resources
Marie Pearthree, Tucson Water
Frank Postillion, Consultant
Pete Schlegel
Sidney Smith, Cortaro Water Users Assoc.
Warren Tenney, Metro Water District
Chris Ward, Avra Water Co-op
Ron Wong, BKW Farms
Al Wylie, Pima County Wastewater
Kristen Zimmerman, Pima Assoc. of Governments

I. Call to Order

Vice-Chair Chuck Sweet called the meeting to order at 9:30 A.M. Introductions were made.

II. Approval of Minutes

Jon Post made a motion to approve the minutes of November 12, 2003. Chuck Sweet seconded the motion. The minutes were unanimously approved.

III. Arizona Dept. of Water Resources (ADWR) Water Management Program Development Activities

Jim Holway, Assistant Director for ADWR's Water Management Division, explained that, based on the typical schedule for adoption of a management plan, work on the Fourth Management Plan (4MP) should start this year. However, because staff resources are limited, ADWR may choose to pursue other priority activities and delay adoption of the 4MP. Mr. Holway presented ADWR's *2004-2007 Program Development Activities* (handout 1). This list includes many high priority activities to which ADWR would like to dedicate resources over the next four years. However, because ADWR lacks the staff to pursue all of them, Mr. Holway is seeking comment regarding how ADWR should prioritize the projects. Using the input he receives, Mr. Holway will prioritize the projects and develop a work plan for completion of those activities for the Director's approval. Possible projects include the following:

Fourth Management Plan (4MP): ADWR used an exceptionally long and complicated process to develop the Third Management Plan. For the 4MP, ADWR would like to simplify the process significantly. But even with a simplified process it will still be a major work effort and is likely to be delayed by at least a year or two.

Municipal Conservation Program: A reexamination of the Municipal Conservation Program involving significant community input should be completed in advance of starting the 4MP.

Agricultural Best Management Practices (BMP) Program: The Agricultural BMP Program was created as a pilot program. In advance of making the program permanent in the 4MP, ADWR will need to complete an evaluation of the program and consider possible changes and improvements.

Industrial Water Use Program: The concept of restricting new industrial water uses was developed in the Governor's Water Management Commission. There continues to be support within some AMAs for some type of new restrictions or mandatory industrial replenishment.

Santa Cruz AMA Management Programs: The Santa Cruz AMA has recently released draft Assured Water Supply Program rules that address their unique management goal. They hope to take the rules to the Governor's Regulatory Review Council (GRCC) before the end of this year. They are holding a workshop on the draft rules on Thursday, April 29 from 9:00 a.m. to 12:00 p.m., in the Santa Cruz AMA office.

Pinal AMA Management Programs: A peer-review of the Pinal AMA's water budget is currently being conducted and an update of the Pinal AMA groundwater model is being considered. These are both key components for on-going consideration of changes to Pinal's Assured Water Supply Rules.

Well Impact & Well Spacing Rules: An effort is underway to update and make permanent ADWR's well rules. This effort will consider solutions to key problems with the current rules. Other issues that

will likely be examined but may not be included in the rules at this time are the relationship between wells, surface water and groundwater and the impact of wells on riparian areas.

Surface Water Rules: ADWR has draft surface water rules that were developed five years ago but that were not adopted for a variety of reasons. However, the lack of rules makes operation of the surface water program, particularly in-stream flow, quite difficult.

Recharge Permitting & Credit Calculation Procedures: Substantive policy statements were developed through a stakeholder process to guide recharge permitting. This process has not covered all of the necessary issues but has provided a start. There is a need to continue the process and to make the policy statements into rule. In particular, ADWR anticipates that developing criteria for determining “unreasonable harm” related to interactions between recharge and sand & gravel facilities is going to be especially important.

Central Arizona Groundwater Replenishment District (CAGRDR) Plan of Operation Review: Once the Plan of Operation is completed and approved by the CAGRDR, ADWR has a regulatory role in its review. As part of the review, ADWR will hold a public process to obtain input from entities within the AMAs where the CAGRDR operates.

Other Division or Departmental Activities & Initiatives: An additional list of commitments was provided, which will also draw on ADWR’s resources over then the next four years. Mr. Holway highlighted some of them:

Securing Agency Funding: ADWR’s operating budget is approximately \$2.5 million in salaries beyond the authorized budget. This year the AWBA withdrawal fee fund was used to bridge the gap. Next year ADWR anticipates that the legislature will approve use of the Conservation Assistance and Augmentation Fund and Dam Safety Fund to make the bridge. For fiscal year 2006, ADWR will have no remaining funds for another bridge and if the budget is not increased, 20 staff positions will be lost. ADWR is looking into possible fee increases to improve the budget. Chuck Sweet asked what support ADWR is getting from the legislature to support its budget. Mr. Holway responded that currently they are supporting the Governor’s budget, which gives ADWR no new money but allows it to use the withdrawal fees and dam safety funds.

Drought Task Force: The draft report is expected by the end of the summer.

Rural (non AMA) Programs & Initiatives: Rural area needs still have not gotten sufficient attention.

Hydrologic Model Development: ADWR would like to have completed hydrologic models for each AMA that can be used to evaluate scenarios to assist in future water resource planning.

Ongoing Enhancements to Agency Databases: ADWR will continue to refine its databases and endeavor to make more data available on its website. High priority projects include the ability to accept Annual Water Use and Withdrawal Reports in a digital format and access to well data on the website.

During a call to the audience, Pete Schlegel pointed out that the legislature needs ongoing water education. Mr. Holway agreed that education is important. But he noted that the water community must commit to developing bills through collaborative processes where broad support is generated and consensus is reached on which bills should move forward.

John Mawhinney suggested the GUAC respond to the program development activities on what it believes the priorities should be. The GUAC will send their reactions to Cindy Shimokusu, and she will put together an official GUAC comment.

Mr. Holway mentioned he is very open to individual comments from the community as well.

IV. Well Spacing and Impact Rule Development

Dennis Kimberlin gave an update on the Well Spacing and Impact Rule development process. ADWR hopes to complete the well rules package within the next 18-24 months. The current temporary rule package was first put into effect in 1983. In January 2004, Mr. Kimberlin was assigned to oversee the process to adopt new rules. In March 2004, a Notice of Rulemaking was published in the *Arizona Administrative Register*, (handout 2) and a well rule development team was formed of 12 staff members representing the different ADWR divisions.

Mr. Kimberlin directed the group to the document *Well Impact Rules Stages of Development* (handout 3), which outlines the team's timeline. Currently, the process is at the **initiation stage** where internal discussions are occurring to prioritize the most important issues. The second stage is the **concept stage** where public input will be sought. At the team's next meeting, it will discuss the possibility of structuring a public workgroup to work with ADWR. The third stage is the **public outreach stage** where meetings will be scheduled to discuss the well rules concept paper and later the draft well rules. These meetings will include GUACs, AMWUA, SAWUA, irrigation districts, well drillers, and other interested parties. The fourth stage is the **final recommendation stage** where final alternatives will be chosen for the rule package. The recommendations will then go to the public for review and comment. The fifth stage is the **rule construction stage** where the team will work closely with ADWR's legal division to fashion the well rules package. The sixth stage is the **hearings/GRRC stage** where public hearings will be held and the package submitted to GRRC.

Mr. Kimberlin then directed the group to the document *Wells Rules Development Priority Matrix of Issues and Concerns* (handout 4). The development team created a list of 25 different well rule issues or concerns. The group prioritized the issues from very low to very high priority. Issues in the top three highest levels were assigned a level of importance. Three issues that were felt to be especially important and high priority were **replacement well duty cycle**, **subsidence** and **exempt well/city service area concerns**.

Chuck Sweet asked Mr. Kimberlin to explain the replacement well duty cycle. Mr. Kimberlin said that when a well owner requests to drill a replacement well within 660 feet of an original non-exempt well, the replacement well is limited to the historic pumpage of the original well. ADWR has a policy that allows for historic pumpage to be determined two ways: either by the actual historic pumpage; or, if the original well has no pumping records, using the registered pump capacity of the original well and calculating a volume assuming that the well pumped 50% of the time.

Mr. Kimberlin stated the development team is soliciting feedback on its list of prioritized issues from the GUAC and others in the community to help guide the development of the rules. Mr. Kimberlin concluded by informing the group that because he will be retiring from ADWR on June 7, 2004, Scott Miller will be taking over the Well Spacing and Impact Rule Development. Mr. Holway added that the key contact in the Tucson AMA for this project is Jeff Tannler. Mr. Holway acknowledged his appreciation to Mr. Kimberlin for his many dedicated years of service.

V. Arizona Water Banking Authority Indian Firming Update

Sandy Fabritz was unable to attend the meeting; therefore, the Arizona Water Banking Authority Indian Firming update will be rescheduled for a future GUAC meeting.

VI. Discussion of Arizona Water Banking Authority Storage for Water Management Benefit

Cindy Shimokusu explained that the Arizona Water Banking Authority (AWBA) has multiple sources of funding, including withdrawal fees from the AMA. The withdrawal fees can be used for two purposes: 1) to help settle Indian water right claims, and 2) to store water to meet the water management objectives of the AMA where the money was collected. The AWBA looks to ADWR to define each AMA's water management objectives. At the December 2003 AWBA meeting, AWBA staff were asked about what storage had been done to date to meet water management objectives using the withdrawal fees collected since 1997. The AWBA staff responded that the AMAs had not yet provided input on where that storage should occur.

The Tucson AMA, along with the Institutional Policy Advisory Group (IPAG), discussed the issue of AWBA storage to meet water management objectives, and provided guidance to the AWBA, in both the Regional Recharge Plan (RRP) and the TMP. The RRP ranked all existing and planned recharge facilities in the AMA based on several criteria, including whether storage at the facility will assist in meeting a water management objective. The two facilities that ranked the highest were CAVSARP and Pima Mine Road. CAVSARP was chosen because it indirectly helps replenish the central well field. Pima Mine Road was recognized as helping the Green Valley area at the terminus of the CAP system. Both the RRP and TMP requested that storage to meet water management objectives be done at those facilities. The AMA also considered the possibility of recommending that the AWBA use withdrawal fees to further firm the AMA's M&I CAP water as a water management objective. This is because the AMA's property tax base is insufficient to fully firm the AMA's CAP supplies using the dedicated 4-cent tax funds. The result of failing to fully firm those supplies is likely to be additional groundwater withdrawals in times of shortages and outages on the CAP system. Therefore, further firming those supplies would produce a water management benefit. However, previously the AWBA had discouraged such a recommendation because its statutes were unclear about whether it would be an authorized use of the withdrawal fees.

In January, Ms. Shimokusu submitted a letter to Tim Henley, manager of the AWBA, referring back to the recommendations in the RRP and TMP. She also raised the possibility again of exploring the firming option, which the AWBA now says is allowable. With this option now being available, Ms. Shimokusu said that the GUAC might want to consider altering its recommendations for storage to meet water management objectives to include firming. However, she explained that the opportunities represented by this new option are limited because all of the withdrawal fees collected to date have been used or swept, which means that only the withdrawal fees collected annually (roughly \$610,000) are available.

Mr. Sweet suggested the two facilities previously recommended should stand unless there were others Ms. Shimokusu thought should be included. She responded that if firming is used as a water management objective, Tucson Water would probably continue to advocate for storage at CAVSARP and Pima Mine Road, but that other CAP subcontractors might like to have their water firmed at other facilities. Mr. Sweet asked water providers present in the audience if they had other suggestions. Both Metro Water and Oro Valley Water Utility requested the opportunity to consider the question further and bring comments back to the GUAC. Marie Pearthree, Deputy Director of Tucson Water, noted the City prefers storage at CAVSARP and Pima Mine Road because of their proximity to City well fields. Tucson Water is very supportive of using the withdrawal fees for M&I firming.

Mr. Sweet requested Ms. Shimokusu contact water providers in the TAMA requesting feedback on this issue and to provide alternatives for the GUAC's consideration at the next meeting. Ms. Shimokusu suggested reconvening the IPAG to assist with crafting recommended alternatives. The GUAC was

amenable to this suggestion. Official comments on this topic should be provided to the AWBA before September for inclusion in their 2005 Plan of Operation.

VII. Area Director's Report

Ms. Shimokusu reported that she will be leaving ADWR at the end of July to return to school. The Director will be advertising internally for her replacement and will be putting that person in place relatively soon to provide for a smooth transition. Ms. Shimokusu was wished the best and recognized for her valuable service to ADWR over the years.

There will be an upcoming brown bag lecture on April 27 at noon in ADWR's Phoenix office. Gregg Houtz, from ADWR's Legal Division, will report on the Arizona Water Settlements Act.

Ms. Shimokusu gave a brief legislative update. The exempt well bill, which proposes that no new exempt wells could be drilled inside a water provider's service area unless certain criteria are met, may be limited to the Tucson AMA only. Mr. Holway said that ADWR would not support this limited version of the bill. Karen Martina reported that the exempt well language has been moved to the recovery well bill. The assured supply certificate assignment bill is moving forward, although there have been some changes made. If a subdivision has already sold 500+ lots, there is no time restriction on when the certificate assignment may be made. The transfer requires public notice, but no objections can be filed. The CAGRDR bill continues to move forward. It now includes the elimination of the 5% cut for the aquifer for GRD replenishment. SRP may get the bill amended to allow for simultaneous groundwater pumping and accrual of long-term storage credits to supply water for power generation. The recreational corridor bill is moving forward. The items ADWR had been concerned about regarding recharge and long-term storage credit accrual were eliminated.

VII. Public Comment

There were no comments.

VIII. Date and Agenda for Next Meeting

The date for the next meeting will be June 18, 2004 at 9:30 a.m. Ms. Shimokusu reported that there are quite a few items to cover over the next few meetings. Those include the following: election of new GUAC officers, the San Pedro basin review, AWBA Indian Firming, CAGRDR Plan of Operation, Santa Cruz AMA AWS rules package, well rule updates, AWBA storage for water management benefits, and the Drought Plan.

IX. Adjournment

The meeting was adjourned at 11:20 a.m.